

**COORDINATING BOARD FOR HIGHER EDUCATION**  
**Minutes of Meeting**  
**June 10, 2004**

The Coordinating Board for Higher Education met at 10:30 a.m. on Thursday, June 10, 2004 in the Tinnin Fine Arts Center Auditorium at Three Rivers Community College in Poplar Bluff, Missouri. Members present were:

Sandra Kauffman, Chair  
Lowell Kruse, Vice Chair  
Dudley Grove, Secretary  
Diana Bourisaw  
Marie Carmichael  
Robert Langdon  
Kathryn Swan  
Earl Wilson, Jr.  
Mary Joan Wood

Others attending the meeting included:

Quentin Wilson, Commissioner of Higher Education  
Scott Giles, Director, Missouri Student Loan Group  
Donna Imhoff, Budget Analyst  
Janelle Jaegers, Director, Administration  
Joe Martin, Deputy Commissioner  
Jim Matchefts, Assistant Commissioner and General Counsel  
Brenda Miner, Executive Assistant to the Commissioner  
Dan Peterson, Director, Financial Assistance and Outreach  
Renee Riley, Public Information Specialist  
Robert Stein, Associate Commissioner, Academic Affairs  
Laura Vedenhaupt, Administrative Assistant for Academic Affairs

Chair Kauffman called the meeting to order. A list of guests attending the meeting is included as Attachment A.

Mr. Kruse moved **that the minutes of the April 8, 2004 meeting be approved as printed.** Mr. Wilson seconded the motion, and it passed unanimously.

Chair Kauffman introduced Dr. John Cooper, president, Three Rivers Community College. Dr. Cooper welcomed everyone to the Three Rivers Community College campus and provided a brief history and background information of the college.

Chair Kauffman thanked President Cooper, Judith Scott, Susan Carver, and the Three Rivers Community College staff for their hospitality. Mr. Earl Wilson, Jr., the newest member appointed by the governor to the Coordinating Board for Higher Education, was introduced by Chair Kauffman. Mr. Wilson introduced Kerry Crist, Education Advisor to the Governor.

Chair Kauffman congratulated Dr. Henry Shannon, chancellor, St. Louis Community College, on his appointment to president-elect of the National Board of Directors of the American Association of Community Colleges (AACC), effective July 1, 2004.

Chair Kauffman expressed appreciation to presidents, Dr. Kent Farnsworth, Crowder College, and Dr. Walter Nolte, North Central Missouri College, for their leadership in the community college sectors and wished them well in their careers.

### **Report of the Commissioner**

Commissioner Wilson thanked the Three Rivers Community College staff for hosting the Presidential Advisory Committee and CBHE meeting.

As the CBHE shifts from an emphasis on compliance and enforcement to one of performance, better results will be derived from agreed-upon priorities and their implementation. Partnering with institutions and other agencies is a major component in this implementation process to help ensure the achievement of priorities and the success of a higher education system for the students and families of this state.

Commissioner Wilson provided an update on the status of the implemented issues as follows:

- Performance measures are being developed by each unit in the department that will be presented to the Commissioner on July 1, 2004 and to the CBHE at their retreat August 18-19, 2004.
- The ASA conversion has created a new, more economical servicing system with increased website access for student loans, increasing the department's volume of student loan guarantees. Scott Giles and his staff are to be commended for this achievement.
- The department's re-designed, rapid, and customer-friendly website will be hosted by MOREnet.
- The grants and scholarships award process will integrate their five programs into one system, with a broader distribution range and, hopefully, the ability to compensate for the need of nearly \$50 million in additional state need-based financial aid.
- Financial literacy must be a part of each student's planning for college, thereby resulting in increased participation in higher education. The department is consulting with financial aid staff at the institutions, holding community college focus groups, and collaborating with DESE to initiate a plan of action.
- Means to measure institutional performance and value-added learning are being developed by institutional leaders and the department's academic affairs staff. Missouri is the national leader in developing and implementing this model initiative.

- The promotion and adoption of institutional quality principles requires involvement from all institutions.
- Equity funding with reallocation by the community colleges has progressed to workable solutions based on funding approved for next fiscal year, which still requires some discussion and action.
- Institutional performance review and planning meetings are being organized and are scheduled to be held this summer.

The Coordinating Board expressed their concerns as follows:

- More resources are necessary, enabling the CBHE and DHE to provide a leadership role.
- What are the unique indicators to measure mission and population?
- Why is the number of college-bound students so low? Is it due to motivation factors, financial barriers, or is there a relationship to the core curriculum? Are the reports locating the problems?
- Expectations of parents and teachers are lower than those of students.
- Many students cannot afford higher education.
- What could implementation of collaborative efforts between DHE and DESE potentially yield?
- Projects remain in the talking stage.
- The board would like to look at the reports from the Commission on the Future of Higher Education (COFHE), the Business Education Round Table (BERT), and the Missouri Training and Employment Council (MTEC) to select the most pressing recommendations and to develop a plan for implementation in the following year.
- Develop an implementation plan within the next 12 months.
- A matrix with overlapping recommendations would be helpful in identifying ways to increase teacher quality and quantity, and improving loan forgiveness.
- The key to success with the institution performance reviews and planning sessions is that institutions must talk to each other, not around each other, and work as a collective whole rather than as separate sectors.
- Leadership and governance discussions are well intended, but send mixed messages. Leaders need to ensure they remain “Level 5 Leaders”. (Note: Level 5 Leaders is referred to in Jim Collins book “Good to Great”. Level 5 Leaders are those described as

“building enduring greatness through a paradoxal blend, through personal humility, and professional will.”)

- With there being power in numbers, higher education’s vision needs to be articulated as one sector.
- The K-20 approach should be used to include the K-12 superintendents.

The Commissioner’s Report, Fourth Quarter, FY 2004, is included in the minutes as Attachment B.

### **Report of the Presidential Advisory Committee**

Dr. Henry Shannon, chancellor, St. Louis Community College, summarized the presidents’ and chancellors’ discussions at their June 10, 2004 meeting in the Bess Student Center. Commissioner Wilson initiated a productive discussion relative to the institutional performance review and planning sessions that will be held this summer. Similar qualitative discussions are necessary to develop Missouri into a great state for higher education. It is time to formulate the next steps, focusing on the issues that are important for this state. Common goals are shared by all presidents and chancellors in serving their respective communities, but those goals implemented as a collective effort would produce exceptional results. The challenge is to move forward united – the key for higher education’s success in Missouri.

Commissioner Wilson noted that a preliminary agenda of the institutional performance review and planning sessions will be developed from today’s discussion, and reviewed by the CBHE and institutional leaders for presentation at the July, August, and September sessions.

### **Status of Implementation of the American Student Assistance (ASA)**

Mr. Scott Giles reported that the first-round improvement project for the ASA customer team was chartered in December 2002 and produced ten recommendations, of which seven have been implemented. Two recommendations are ongoing and involve the user friendliness of the system and providing additional technical support. School financial aid directors and other entities preferred that the financial aid office serve as the primary source of financial aid information for students. To effectively communicate the conversion efforts to communities, a website was developed, letters were mailed, distribution lists were sent electronically to each constituency involved, and on-site visits and training were conducted on individual and group levels.

Since the conversion on April 12, 2004, the department has guaranteed an additional \$100 million in loans.

Mr. Giles commended the efforts of the Missouri Student Loan Group, the Information Technology Group, the Communications and Customer Assistance Group, and the Contracts and Compliance Group in ensuring a successful conversion to ASA. Chair Kauffman congratulated Mr. Giles and his staff for their good planning toward a smooth transition and a successful project.

## **Institution Performance Reviews and Planning Sessions**

Commissioner Wilson noted that feedback from the discussions at the Presidential Advisory Committee meeting today and from responses to the letter of May 28, 2004 from the commissioner to the presidents and chancellors of two- and four-year public higher education institutions (located behind Tab B of the board book) reflect unanimously that the key issue focuses on the function of the Coordinating Board and the department. Commissioner Wilson extended appreciation to those institutions whose contributions have guided the planning of these sessions.

## **Measuring Value-Added Student Learning Project Update**

Dr. Robert Stein reported that Missouri is approaching the issue of measuring learning differently than other states that allow accountability to drive their agenda. Since August 2003, the department has tried to promote better understanding of this project, increase ownership by institutions, and obtain their support in designing a Missouri approach to measure value-added student learning. Conversations have been ongoing with RAND and it's Council for Aid to Education (CAE), which has a national initiative using a particular instrument, the Collegiate Learning Assessment (CLA). A consortium of approximately 30 Missouri institutions have indicated their interest in becoming part of this national initiative to learn from their experience of their engagement in a pilot project with RAND.

This pilot project will provide an excellent opportunity for networking involving assessment of student learning and will help shape future assessment agendas at the institution and state levels. Information will be gained about the utilization of national data for benchmarking, related to assessment of general education skills and will foster enriched conversations about assessment and public policy at multiple levels throughout the academy.

Normally RAND charges individual institutions \$7,500 each. However, RAND will contribute \$50,000 toward Missouri's forming a pilot project, and a negotiating team from consortium institutions has established that a minimum contribution of \$50,000 from Missouri will allow this state to join as a majority share holder with RAND. These funds will launch the project. RAND/CAE and the Missouri consortium have agreed to raise additional funds from foundations to subsidize the pilot project. DHE, working with the institutions, will develop an agenda for accumulating the funds and a concept paper will be written to use in approaching funding agencies. RAND/CAE has indicated its belief that funding will be granted, and has suggested it may include multiple years of funding rather than a single year.

Letters have been sent to all consortium members and other institutions that have not yet joined stating that \$2,000 will be the cost for each institution to participate. Eight institutions have responded favorably, including 19 which gave verbal approval. Institutions are also given the right to petition the consortium for a reduced rate of no less than \$1,500. One institution has indicated it will join the consortium but intends to do a separate pilot with a different instrument. The institution intends to share its experience with other consortium members.

Dr. Bourisaw commended the institutions for participating in this partnership and encouraged

other institutions to join saying that the participation cost of \$2,000 is extremely nominal in terms of the return on investment.

Dr. Stein noted that the pilot project will begin this fall with testing those students who are entering freshmen, and testing in the spring of those students who are near graduation. Using a matrix sampling, Rand will study the preparation level of the student at point of entry and will make predictions on their scores at point of exit.

Dr. Stein reported that since *Measuring Up 2000* and *Measuring Up 2002* issued all states an “incomplete” in the category of learning, a national project has evolved, spearheaded by Dr. Peg Miller, Dr. Peter Ewell, and Dr. Pat Callan, to devise a model for measuring value-added student learning. A five-state study they conducted this past year used the CLA instrument. During their study, they discovered challenges related to student motivation in taking the test seriously. Missouri’s commitment to a pilot project will create a rich database available to understand what affects student motivation. It is important to ensure consistency in the language RAND/CAE uses and the language that the consortium will use explaining the purposes of the testing to students. It will also be important that data used in the RAND/CAE pilot project are used for research purposes only.

Letters from institutions indicated different reasons for joining the pilot project. Missouri is approaching the project in a different way than other states - systematically, raising questions, and going beyond the initial approach of RAND/CAE. Missouri is interested in ensuring that assessment will serve to improve teaching and learning and demonstrate value.

Commissioner Wilson commended Dr. Stein, his staff, and others in the department who have worked on this project, especially Dr. Stein who has collaboratively met the needs of the people and the institutions in constructing this project. Dr. Stein acknowledged Ms. Laura Vedenhaupt for her support of this project as well as others in Academic Affairs.

### **FY 2005 Budget Update**

Mr. Joe Martin announced that he does not expect any vetoes to the FY 2005 budget, nor any withholdings for the department’s budget or the institutions’ budgets. Though the last three years have reduced the department’s budget, staffing, and administrative budgets by 57 percent, staff administers the department with accountability, internal controls, and increased quality. Some of the accomplishments include reduction of cellular phone costs by 51 percent, reduction of postage by over 51 percent, increased purchases from Women Business Enterprises by 65 percent, and increased purchases from Minority Business Enterprises by 151 percent in the first three-quarters of this fiscal year.

The department received the Torch of Excellence Agency Employment Award from the governor for having the highest percentage of minority work force in state government. Purchasing policies have been revised to comply with the Division of Purchasing and Materials Management and with the state auditor’s requirements and findings. Policies and procedures have been implemented where none previously existed. With the help of Mr. Scott Giles and Mr. Jim Matchefts, a state auditor’s finding was recently appealed to the U.S. Department of

Education. The state auditor's findings were overturned, which will have a huge impact on the agency as it relates to the use of operating funds generated by DHE's loan guarantee agency.

The first salary increase for state employees in three years, approved by the governor, will be implemented July 1, 2004.

Mr. Martin briefly reviewed the budget spreadsheets located behind Tab D of the board book.

Dr. Bourisaw moved **that the Coordinating Board for Higher Education support the community college reallocation formula as proposed by the community college sector. The Coordinating Board for Higher Education will seek the concurrence of the legislative leadership and the Office of Administration, Division of Budget and Planning, the House Budget Chair, and the Senate Appropriations Chair with regard to this formula.** Mrs. Grove seconded the motion, and it passed unanimously.

Dr. Bourisaw moved **concurrence of the budget as amended.** Mrs. Grove seconded the motion, and it passed unanimously.

Commissioner Wilson noted that this was a good start and that it was important for the higher education community to be involved in the process when funds are allocated within sectors of higher education. Mr. Kruse commended the community college leadership for their impressive work.

### **Final Summary of Legislation Second Regular Session, 92<sup>nd</sup> General Assembly**

Mr. Martin reported that staff attended over 63 hours of budget-related hearings. Staff prepared and responded to 218 fiscal notes and tracked 87 pieces of legislation, which were compiled in 34 weekly legislative and budget updates. After direction from the board for staff to be proactive in legislative issues impacting higher education, staff became involved in legislation regarding the Northwest merger with the University of Missouri, the Missouri Western name change, the Southwest Missouri State name change, the delivery of associate degrees at Missouri Western, addition of new programs at Southwest Missouri State and Missouri Western, the JOBS NOW Program, the bonding proposal for community colleges, the War on Terror Survivor Scholarship Program, and the Higher Education Funding proposal. Mr. Martin noted that staffs' involvement added more credence to legislators' opinions of the CBHE.

### **State Student Financial Assistance Programs, FY 2004**

Mr. Dan Peterson reported that the A+ Program funding is not included in the payment table (located behind TAB F of the board book), because A+ is administered by the Department of Elementary and Secondary Education (DESE) which provides about \$12.5 million annually to eligible students attending community colleges and vocational-technical schools. In the spring of 2004, there was a shortfall in the College Guarantee and Gallagher Programs due to timing issues and revenue projections with the transmission of anticipated, additional \$500,000 in gaming commission funds. The College Guarantee shortfall resulted in a 10 percent reduction to each student's spring 2004 award. The Gallagher Program shortfall affected two schools, Columbia College and Lindenwood University. The Gallagher shortfall will be covered by

additional federal funds that are allocated by the U.S. Department of Education for the Gallagher Program and, upon MOHELA's approval, a small amount of the \$5 million that was originally committed by MOHELA for the GEAR UP scholarship match will be redirected to cover the Gallagher shortfall.

In conjunction with the second round improvement projects, the State Aid Improvement Project Team met on May 27, 2004 and will meet again on June 18, 2004. This team will be developing recommendations related to the administration of the state aid programs. Staff resources continue to be devoted to the integration of the individual databases for the state aid programs, which will result in a new web-based, comprehensive system for high schools, colleges, and students. Internal system testing will occur in early July 2004, with internal business testing conducted from August through November. Customer acceptance testing with selected institutions will take place in November and December. Statewide training will occur at seven different sites in January in preparation for full production and release in January 2005 for the 2005-2006 school year.

### **2004 Governor's Conference on Higher Education**

Commissioner Wilson expressed appreciation to Dr. Jim Kellerman of the Missouri Community Colleges Association and Dr. Thomas George, chancellor, University of Missouri-St. Louis, for their participation in the discussions related to revision and improvement of the Governors Conference and the Department's relationship with all institutions. Presidents, chancellors, and staff in attendance recommended having a hybrid Governor's Conference, with an award ceremony and an education summit that would include the trustees.

Without enough staff to organize and prepare for the conference, DHE is working with the Missouri Training Institute at the University of Missouri-Columbia to become the fiscal agent and provide much of the activity support. It should be a premiere event to bring people together and quite possibly patterned after the Workforce Development Conferences. Commissioner Wilson asked presidents and chancellors for their reactions to the tentative agenda (located behind Tab G of the board book), the conference location of Jefferson City versus the Lake of the Ozarks, and issues pertaining to the awards luncheon itself, such as teaching related to accomplishment of goals by groups, teams, or institutions.

The following suggestions were made in relation to the structure of the awards luncheon:

- Recognize young people or college students, who have made exceptional achievements in education, to serve as a motivational gesture.
- Presentation of awards to the faculty is an important, motivational factor that rewards quality teaching and should be retained, but time should be allowed for the inclusion of additional activities.
- Provide a reason for faculty to attend and participate actively in the conference to better engage and utilize their expertise at the conference.



- With help from the Missouri Training Institute, support the conference with private donations by seeking sponsors for the activities, perhaps beginning with the vendors who work with the institutions.
- The board concurred that Jefferson City or Columbia afforded a better location, particularly during the winter months.

### **Election of CBHE Officers**

The Nominating Committee included Mrs. Marie Carmichael, chair, Mrs. Kathryn Swan, member, and Mr. Robert Langdon, member. Chair Carmichael presented the following slate of officers and moved for its adoption, which was unanimously elected by the Coordinating Board:

Mrs. Sandra Kauffman, Chair  
Mr. Lowell Kruse, Vice Chair  
Mrs. Dudley Grove, Secretary

Chair Kauffman expressed her appreciation to the board for their support during the past two years.

### **Other Items – Report of the Succession Planning Committee**

Mr. Kruse, chair, CBHE Succession Planning Committee, summarized the work of the committee and the board to date. The commissioner's profile will be distributed in the coming weeks. The board is actively seeking nominations for potential commissioner candidates, and will follow up with a memo, including the commissioner's profile, to presidents, chancellors, and others seeking nominations. The board encourages nominations and resumes to be submitted by August 16. Mr. Kruse, on behalf of the board, expressed appreciation to Commissioner Wilson for his leadership.

Mr. Kruse presented the Report of the Succession Planning Committee, describing the work of the committee and the direction in which it is headed. The committee was comprised of Mrs. Swan, Mrs. Carmichael, Chair Kauffman, and Mr. Kruse, with staff support from Debra Cheshier and Brenda Miner. Ms. Martha Davis of the Davis Consulting Group also contributed her time to the committee. The succession planning and search were divided into two key phases:

- The first phase involved the accumulation of suggestions regarding the qualifications of the applicants from those entities who work with the CBHE. Eight focus groups, comprised of 74 people, of the 220 who were invited, were conducted statewide. They included representatives of higher education, business leaders, K-12 superintendents, legislators, employees of the department, other state department directors, and Coordinating Board members. Mr. Kruse commended Mrs. Swan and Ms. Davis for their outstanding work in conducting the first phase. Input from the focus groups resulted in the development of a profile for the Commissioner of Higher Education. The profile is included in the minutes as Attachment C.

- The second phase will involve the actual sourcing of candidates, evaluating those candidates, and ultimately selecting the next commissioner. Mrs. Carmichael will assist Ms. Davis in this phase of the project, which will begin August 16. The board will conduct a work session on August 18 and 19, at which time they will review the candidates. Mrs. Carmichael and Ms. Davis will coordinate and design the interview process to begin shortly following the board retreat.

It is the intention of the Coordinating Board to refrain from employing a search firm. The Davis Group and the Succession Planning Committee will complete the search, but will require help from presidents and chancellors and others who have insight into possible candidates. As part of the process, information will be distributed throughout the state and the country regarding Missouri's search for a Commissioner of Higher Education. It is anticipated that a selection will be made by the October board meeting.

Some unresolved issues are:

- The board would like to amend CBHE's bylaws regarding the search committee to be more inclusive of the board's constituency groups;
- The commissioner's salary of \$125,000, with an additional benefits package, may require more funding than this budgeted amount in order to attract the person outlined in the position description;
- Develop a contingency plan should the call for nominations and resumes not yield an adequate pool of candidates; and
- Develop a plan for interim leadership at the department should a candidate not be hired by October.

Mr. Kruse moved **that the Succession Planning Committee Report, including the Commissioner of Higher Education Profile, be adopted.** Mrs. Wood seconded the motion, and it passed unanimously.

### **Information Items**

#### Certified Election Results from Proposed Junior College District of Lake of the Ozarks

Dr. Jim Matchefts reported that Secretary Grove has certified the results of the election held on April 4, 2004, at the Lake of the Ozarks to establish a new community college. Voters in the Camdenton R-III and Lake of the Osage R-II school districts voted down the proposal. The Coordinating Board expressed regrets at the election results, noting it was a loss for the community. They extended best wishes to the Steering Committee who worked diligently to establish a community college at the Lake of the Ozarks.

### Academic Program Actions

Dr. Robert Stein noted that the Three Rivers Community College AAS, Diversified Technology program was approved at multiple sites. The approval for the Cape Girardeau site was conditional based on the recommendation of the Southeast Consortium. It was agreed that Three Rivers Community College, Mineral Area Community College, and Southeast Missouri State University would collaboratively discuss elimination of unnecessary duplication and design a collaborative approach for delivery of this degree.

### Campus-based Academic Program Review Update

Dr. Stein reported that this agenda item is about quality principles, moving away from a regulatory system, re-questioning the process in reviewing existing programs, and ensuring that the accomplishments and products of these programs retain value. The roles for the state and for institutions need to be defined in addition to a focus on results. Processes must be in place supporting continuous quality improvement for teaching and learning.

The University of Missouri is becoming a national leader by working with William Massey, president, Jackson Hole Higher Education Group, who is promoting a revolution in regard to academic program review. DHE is joining with the University of Missouri to learn more about emphasizing educational quality processes that are continuous and workable for professional educators. By working with institutional representatives, recommendations will be developed for the two-year sector and the four-year sector, which will be shared with chief academic officers. The recommendations will be presented to the Council on Public Higher Education (COPHE) and the Missouri Community College Association (MCCA) prior to sending them to the Presidential Advisory Committee for review and the CBHE for review and action.

### Proprietary School Certification Actions and Reviews

Dr. Stein noted that re-certifications are being processed on target and will be completed on schedule. John Thomas College of Naturopathic Medicine is aware that its decision about its application will be finalized in August 2004.

The International University is in the process of being reviewed for certification, having the option of being certified, becoming exempt, or ceasing to exist.

### Distribution of Community College Funds

Mr. Martin reported that state aid distributions for May through June 2004, totaling \$20,349,144.00, were distributed to the community colleges, with an additional payment of \$157,315 for capital appropriations distributed to St. Louis Community College. Mr. Martin acknowledged Donna Imhoff, Patti Knaebel, and Janelle Jaegers for their assistance in this process.

### Update on Recent Audits

Mr. Martin noted that the Missouri State Auditor's Office (SAO) would soon issue their report of federal funds for the year ending June 30, 2003. DHE staff were notified during their exit interview in December 2003, that there would no audit findings for the DHE in this audit.

Audits related to the use of procurement cards/credit cards, including purchases made, and the internal controls over their use for official purchases, have begun on State Fair Community College, the University of Missouri System, and other selected institutions.

Mrs. Carmichael moved **that the CBHE proceed into Executive Session according to Missouri Statute RSMo 610.021(3)**. The motion passed unanimously with a roll call vote.

Marie Carmichael – aye  
Dudley Grove – aye  
Sandra Kauffman – aye  
Lowell Kruse – aye  
Kathryn Swan – aye  
Earl Wilson – aye  
Mary Joan Wood – aye

There being no further business to come before the board, a motion was moved to adjourn the meeting. The motion was seconded and it passed unanimously.

The meeting adjourned at 2:15 p.m.